

U.S. Department of Energy
Washington, D.C.

ORDER

DRAFT
DOE O 125.X

Approved: XX-XX-04
Expires: XX-XX-08

SUBJECT: CRITICAL MANAGEMENT IMPROVEMENT INITIATIVES

1. **OBJECTIVES.** To establish a systematic, results-oriented approach to critical management improvement initiatives undertaken at the Department of Energy (DOE). The approach is intended to ensure that such initiatives—

- a. are managed in an organized and disciplined manner that is consistent with the best practices of high-performing organizations, and
- b. use results-oriented data to assess the effectiveness of the initiatives and make changes as warranted.

This Order is not intended to supersede, duplicate, or otherwise act inconsistently with DOE's performance, planning, programming, budgeting, and evaluation systems.

2. **CANCELLATIONS.** DOE N 125.1, *Managing Critical Management Improvement Initiatives*, dated 10-1-03. Cancellation of an Order does not, by itself, modify or otherwise affect any contractual obligation to comply with the Order. Cancelled Orders that are incorporated by reference in a contract remain in effect until the contract is modified to delete reference to requirements in the cancelled Orders.

3. **APPLICABILITY.**

- a. **Primary DOE Organizations, Including National Nuclear Security Administration (NNSA) Organizations.** Except for the exclusions in paragraph 3c, this Order applies to all Primary DOE Organizations (see Attachment 1 for a complete list of Primary DOE Organizations). This Order automatically applies to Primary DOE Organizations created after it is issued.

The NNSA Administrator will ensure that NNSA employees and contractors comply with requirements and responsibilities of this Order.

- b. **Site/Facility Management Contractors.** This Order does not apply to contractors.
- c. **Exclusions.** This Order does not apply to the Bonneville Power Administration and the Naval Reactors Program.

4. **REQUIREMENTS.**

- a. Before a critical management improvement initiative begins, it must be supported by a formal written action plan as described below.

- (1) The plan must address the following.
 - (a) Define the purpose of the initiative and the problem, challenge, or issue that the initiative seeks to resolve or address.
 - (b) Define the goals or objectives of the initiative.
 - (c) Establish an implementation strategy that defines the approach to understanding the current state, identifies the nature and source of current problems, analyzes theories about the causes of the problems, considers alternate solutions and associated functions and requirements, and documents the decision making process for determining one or more options for implementation.
 - (d) Establish a schedule that includes milestones for completion of the initiative and the assessments (paragraph 4a(1)(f), below).
 - (e) Identify the responsible organization, primary action officer, and participating or supporting organizations and team members.
 - (f) Define measures for assessing outputs and outcomes. Include
 - 1 results-oriented measures and supporting data which will permit an assessment of the effectiveness of the initiative and
 - 2 identification of any necessary changes, corrective actions, or followup actions to better achieve the underlying goals or objectives of the initiative.
 - (g) Describe methods for producing data required in paragraph 4a(1)(f), above.
- (2) The action plan may include additional information that identifies—
 - (a) constraints or conditions that could impact the plan and
 - (b) resources required to execute planned actions.
- b. The action plan must be developed, maintained, and updated by the action officer and approved by the initiative's sponsor as necessary.
- c. An assessment must be performed and documented in writing for each completed initiative in accordance with the plan schedule, and any changes, followup initiatives, or corrective actions must be identified.
- d. Information regarding the completion of an initiative and follow-on assessments must be provided to the head of the Departmental element; the responsible

Under Secretary; the Deputy Secretary/Chief Operating Officer; and the Director, Office of Management, Budget and Evaluation/Chief Financial Officer for coordination with the DOE Strategic Plan and budget/performance integration reporting.

- e. The requirements of this Order may but are not required to be applied to noncritical management improvement initiatives or critical management improvement initiatives initiated before the effective date of this Order.
- f. Any decision to apply the requirements of this Order to a critical management improvement initiative that began before the effective date of this Order will be documented in writing by the Deputy Secretary or NNSA Assistant Secretary/Deputy Administrator.

5. RESPONSIBILITIES.

a. Heads of Departmental Elements.

- (1) Ensure that the requirements of this Order are implemented throughout their organizations.
- (2) Approve action plans for initiatives under their cognizance.
- (3) Report periodically through the responsible Under Secretary to the Deputy Secretary/Chief Operating Officer on the status, outputs, outcomes, and assessments of critical management improvement initiatives undertaken by their organizations as part of their periodic performance reviews, including the information required by paragraph 4d, above.
- (4) Designate action officers for each action plan under their cognizance.

b. Director, Office of Management, Budget and Evaluation/Chief Financial Officer.

- (1) Maintains this Order for the Secretary.
- (2) Coordinates information developed in conjunction with this Order with the DOE Strategic Plan and the tracking of budget/performance integration data.

c. Action Officers.

- (1) Develop, maintain, and update action plans.
- (2) Following completion of critical management initiatives, assess the effectiveness of the initiatives in accordance with action plan schedules; identify any changes, followup initiatives, or corrective actions that may be needed; and document the assessment in writing.

6. DEFINITIONS.

- a. Management improvement initiative—a formal activity intended to create new or improve existing organization structures, management systems or controls, or work or decision-making processes in response to identified challenges, problems, or issues that affect accomplishment of DOE mission activities. Initiatives result in reorganizations, new or revised policies, change to regulations or directives, development of process methods, or other vehicles for effecting systemic change.
- b. Critical management improvement initiative—one that meets the definition of a management improvement initiative (paragraph 6a) but is also intended to—
 - (1) support a defined element of the DOE Strategic Plan;
 - (2) support a defined element of a first tier organization’s program plan, tactical plan, business plan, or similar document;
 - (3) respond to a management challenge identified by the General Accounting Office or the DOE Inspector General;
 - (4) respond to a management control deficiency identified in the Department’s annual Federal Managers Financial Integrity Act report; or
 - (5) respond to direction from or support an effort sponsored by the Secretary, Deputy Secretary/Chief Operating Officer, an Under Secretary, an Assistant Secretary, or an NNSA Deputy Administrator.

NOTE: For purposes of this Order, management improvement initiatives do not include the DOE Strategic Plan or program plans which are the subjects of DOE’s performance, planning, programming, budgeting, and evaluation system.

- c. Initiative sponsor—the head of a Departmental element responsible for the development of and actions associated with a critical management improvement initiative action plan.

7. CONTACT. For information about this Order, contact the Office of Contract Management, at (202) 586-3168.

BY ORDER OF THE SECRETARY OF ENERGY:

KYLE E. McSLARROW
Deputy Secretary

PRIMARY DOE ORGANIZATIONS TO WHICH DOE O 125.X IS APPLICABLE

Office of the Secretary
Chief Information Officer
Departmental Representative to the Defense Nuclear Facilities Safety Board
Energy Information Administration
National Nuclear Security Administration
Office of Civilian Radioactive Waste Management
Office of Congressional and Intergovernmental Affairs
Office of Counterintelligence
Office of Economic Impact and Diversity
Office of Electric Transmission and Distribution
Office of Energy Assurance
Office of Energy Efficiency and Renewable Energy
Office of Environment, Safety and Health
Office of Environmental Management
Office of Fossil Energy
Office of General Counsel
Office of Hearings and Appeals
Office of Independent Oversight and Performance Assurance
Office of Intelligence
Office of Legacy Management
Office of Management, Budget and Evaluation/Chief Financial Officer
Office of Nuclear Energy, Science and Technology
Office of Policy and International Affairs
Office of Public Affairs
Office of Science
Office of Security
Office of Security and Safety Performance Assurance
Office of the Inspector General
Secretary of Energy Advisory Board
Southeastern Power Administration
Southwestern Power Administration
Western Area Power Administration